

Comptroller

Chief, Budget Division

Comparison of Various Estimates of Savings
to be Realized by a New Headquarters Building

1. Based on questions raised by Mr. Ford in our hearings before the House Appropriations Committee this year, it appears likely that questions may be raised concerning the "savings" which we anticipated at one time as a result of a New Headquarters Building. The attached table has been prepared to summarize the estimated savings as presented to the committee and our present estimates of actual costs as reflected in our preliminary budget estimates for Fiscal Year 1963.

2. The items included in the tabulation are those in which we originally estimated that savings would develop as a result of moving into a single building. It must be noted, however, that this is a fragmentary view which may be misleading in some cases. For example, the item "Telephone Mileage Charges" reflects a saving, even in the present estimate. Our budget shows, however, that due to expanded service and Virginia rates telephone costs over-all will more than double in 1963 over 1961 - an actual increase of [] for the first full year of new building occupancy, over FY 1961, the last full year prior to the move into the new building, rather than the saving of [] reflected by telephone mileage costs in the same period. In addition added maintenance costs and the pneumatic tube system, etc., are not reflected.

3. Our present estimate of savings (Col. 3) is based upon a comparison of the selected items from the FY 1961 and FY 1963 estimate of the offices. Since most of the items are not normally reported as separate activities, it was necessary to contact the offices concerned to compute the savings or added cost involved. FY 1961 was selected as being the last full year of operation outside the new building, and FY 1963 was selected as the first full year of operation in the new Headquarters building.

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4. A valid comparison may not be possible if changing conditions and operations are taken into account. Enough of a basis for unfavorable comparison can be found, however, that you may want to be prepared on this subject.

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Attachment

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